

secured only by the value of the firm to be taken over by use of the borrowed funds. Thus, a small firm, targeting a corporate giant, uses, not its own net worth, but the net worth of the targeted giant to secure the loan. The borrowed debt is then repaid by "asset stripping" of the victim company. Thus, in one case, little-known Triangle Industries, with a net worth of \$65 million and annual sales of \$2 million, borrowed \$428 million at 18% interest. Why? In order to take over one of the top 500 U.S. industrial companies, National Can Corporation, with assets in the billions.

The loans come to this select circle of takeover specialists from one company, Drexel, Burnham, Lambert of the Belgian Baron Lambert. Drexel raises capital from international sources in the form of junk bonds. (Because junk bonds are totally unsecured, if the firm goes into bankruptcy, holders of these bonds get nothing for their paper. Hence the name "junk.")

Drexel, Burnham, Lambert is reliably reported to be linked to the murky world of offshore money laundering and the secret Luxembourg, Swiss, and Panamanian bank accounts used by the narcotics mafia to "launder" billions in illegal drug revenues back into the legitimate economy. Gambling casinos such as those in Las Vegas have been run by organized crime since the 1930s for just this purpose. But as the revenues of criminal activity have soared in recent years, new innovations have been developed. Enter financial deregulation and "financial innovations" in world stock markets.

At the center of the "financial revolution" has been Donald Regan's Wall Street firm, Merrill Lynch. "Merrill Lynch, E. F. Hutton, these firms are synonymous with fraud," commented one veteran attorney in the Federal Republic familiar with a wave of law suits against these firms' branch offices in Germany and elsewhere. "Why else do Merrill Lynch or E. F. Hutton have offices in Lugano, Switzerland? The 'Pizza Connection' is only the one that got caught laundering illegal money across the Italian border into secret Swiss banking accounts."

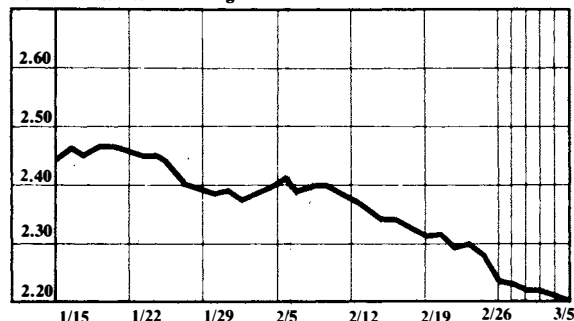
In October, under what is called by the financial speculators the "Big Bang," the City of London will complete the Thatcher process of deregulation of financial markets. At that point, 24-hour Hong Kong to London to New York computerized speculation in the billions will be unleashed daily. Frankfurt and other German bourses and banks are simultaneously removing the last vestiges of defense against this "offshore" attack. There will be no restriction on "foreign capital" coming in to buy up German industry, loot it of value, and sell the remains for scrap. Meyer Lansky's defunct Investors Overseas Services, the most famous money laundry of the 1960s, pales by comparison with this computer-age swindle.

Leading Mont Pelerin official Max von Thurn, relative of Bavarian financier Prince Johannes von Thurn und Taxis, three years ago delivered a speech in which he advocated government legalization of the "black economy." The Banemann plan will do just that.

## Currency Rates

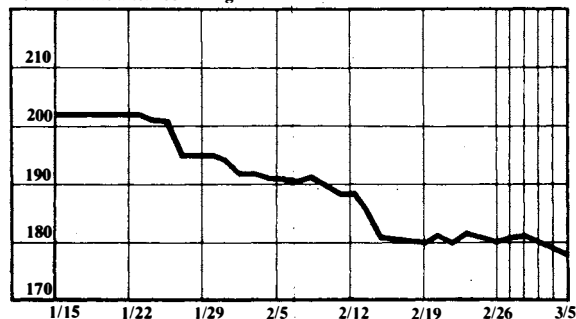
### The dollar in deutschemarks

New York late afternoon fixing



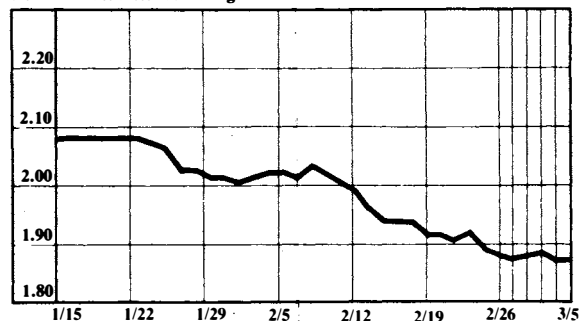
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing

